

1 ENGROSSED SENATE  
2 BILL NO. 913

By: Jech of the Senate

and

Moore of the House

3  
4  
5  
6 An Act relating to medical marijuana growing  
7 operations; amending 63 O.S. 2021, Section 427.14, as  
8 last amended by Section 4, Chapter 332, O.S.L. 2022  
9 (63 O.S. Supp. 2022, Section 427.14), which relates  
10 to the medical marijuana business license; requiring  
11 bond to be submitted during application process if  
12 participating in growing operations; requiring bond  
13 to be filed with the Oklahoma Medical Marijuana  
14 Authority for designated area of commercial growing  
15 operations; providing minimum amount; allowing  
16 Authority to require additional coverage; requiring  
17 amount should be sufficient in event of loss of  
18 license; allowing additional agencies to recall the  
19 bond under certain circumstances; providing an  
20 exception; providing for codification; and declaring  
21 an emergency.

22 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

23 SECTION 1. AMENDATORY 63 O.S. 2021, Section 427.14, as  
24 last amended by Section 4, Chapter 332, O.S.L. 2022 (63 O.S. Supp.  
2022, Section 427.14), is amended to read as follows:

Section 427.14. A. There is hereby created the medical  
marijuana business license, which shall include the following  
categories:

1. Medical marijuana commercial grower;
2. Medical marijuana processor;

- 1 3. Medical marijuana dispensary;
- 2 4. Medical marijuana transporter; and
- 3 5. Medical marijuana testing laboratory.

4 B. The Oklahoma Medical Marijuana Authority, with the aid of  
5 the Office of Management and Enterprise Services, shall develop a  
6 website for medical marijuana business applications.

7 C. The Authority shall make available on its website in an  
8 easy-to-find location, applications for a medical marijuana  
9 business.

10 D. 1. The annual, nonrefundable fee for a medical marijuana  
11 transporter license shall be Two Thousand Five Hundred Dollars  
12 (\$2,500.00).

13 2. The initial fee for a medical marijuana commercial grower  
14 license shall be calculated based upon the total amount of square  
15 feet of canopy or acres the grower estimates will be harvested for  
16 the year. The annual, nonrefundable license fee shall be based upon  
17 the total amount of square feet of canopy harvested by the grower  
18 during the previous twelve (12) months. The amount of the fees  
19 shall be determined as follows:

20 a. For an indoor, greenhouse, or light deprivation  
21 medical marijuana grow facility:

- 22 (1) Tier 1: Up to ten thousand (10,000) square feet  
23 of canopy, the fee shall be Two Thousand Five  
24 Hundred Dollars (\$2,500.00),

- 1 (2) Tier 2: Ten thousand one (10,001) square feet of  
2 canopy to twenty thousand (20,000) square feet of  
3 canopy, the fee shall be Five Thousand Dollars  
4 (\$5,000.00),
- 5 (3) Tier 3: Twenty thousand one (20,001) square feet  
6 of canopy to forty thousand (40,000) square feet  
7 of canopy, the fee shall be Ten Thousand Dollars  
8 (\$10,000.00),
- 9 (4) Tier 4: Forty thousand one (40,001) square feet  
10 of canopy to sixty thousand (60,000) square feet  
11 of canopy, the fee shall be Twenty Thousand  
12 Dollars (\$20,000.00),
- 13 (5) Tier 5: Sixty thousand one (60,001) square feet  
14 of canopy to eighty thousand (80,000) square feet  
15 of canopy, the fee shall be Thirty Thousand  
16 Dollars (\$30,000.00),
- 17 (6) Tier 6: Eighty thousand one (80,001) square feet  
18 of canopy to ninety-nine thousand nine hundred  
19 ninety-nine (99,999) square feet of canopy, the  
20 fee shall be Forty Thousand Dollars (\$40,000.00),  
21 and
- 22 (7) Tier 7: One hundred thousand (100,000) square  
23 feet of canopy and beyond, the fee shall be Fifty  
24 Thousand Dollars (\$50,000.00), plus an additional

1                   twenty-five cents (\$0.25) per square foot of  
2                   canopy over one hundred thousand (100,000) square  
3                   feet.

4           b.   For an outdoor medical marijuana grow facility:

5                   (1)   Tier 1:  Up to two and one-half (2 1/2) acres,  
6                   the fee shall be Two Thousand Five Hundred  
7                   Dollars (\$2,500.00),

8                   (2)   Tier 2:  Two and one-half (2 1/2) acres up to  
9                   five (5) acres, the fee shall be Five Thousand  
10                   Dollars (\$5,000.00),

11                   (3)   Tier 3:  Five (5) acres up to ten (10) acres, the  
12                   fee shall be Ten Thousand Dollars (\$10,000.00),

13                   (4)   Tier 4:  Ten (10) acres up to twenty (20) acres,  
14                   the fee shall be Twenty Thousand Dollars  
15                   (\$20,000.00),

16                   (5)   Tier 5:  Twenty (20) acres up to thirty (30)  
17                   acres, the fee shall be Thirty Thousand Dollars  
18                   (\$30,000.00),

19                   (6)   Tier 6:  Thirty (30) acres up to forty (40)  
20                   acres, the fee shall be Forty Thousand Dollars  
21                   (\$40,000.00),

22                   (7)   Tier 7:  Forty (40) acres up to fifty (50) acres,  
23                   the fee shall be Fifty Thousand Dollars  
24                   (\$50,000.00), and

1 (8) Tier 8: If the amount of acreage exceeds fifty  
2 (50) acres, the fee shall be Fifty Thousand  
3 Dollars (\$50,000.00) plus an additional Two  
4 Hundred Fifty Dollars (\$250.00) per acre.

5 c. For a medical marijuana commercial grower that has a  
6 combination of both indoor and outdoor growing  
7 facilities at one location, the medical marijuana  
8 commercial grower shall be required to obtain a  
9 separate license from the Authority for each type of  
10 grow operation and shall be subject to the licensing  
11 fees provided for in subparagraphs a and b of this  
12 paragraph.

13 d. As used in this paragraph:

14 (1) "canopy" means the total surface area within a  
15 cultivation area that is dedicated to the  
16 cultivation of flowering marijuana plants. The  
17 surface area of the plant canopy must be  
18 calculated in square feet and measured and must  
19 include all of the area within the boundaries  
20 where the cultivation of the flowering marijuana  
21 plants occurs. If the surface of the plant  
22 canopy consists of noncontiguous areas, each  
23 component area must be separated by identifiable  
24 boundaries. If a tiered or shelving system is

1 used in the cultivation area, the surface area of  
2 each tier or shelf must be included in  
3 calculating the area of the plant canopy.  
4 Calculation of the area of the plant canopy may  
5 not include the areas within the cultivation area  
6 that are used to cultivate immature marijuana  
7 plants and seedlings, prior to flowering, and  
8 that are not used at any time to cultivate mature  
9 marijuana plants. If the flowering plants are  
10 vertically grown in cylinders, the square footage  
11 of the canopy shall be measured by the  
12 circumference of the cylinder multiplied by the  
13 total length of the cylinder,

14 (2) "greenhouse" means a structure located outdoors  
15 that is completely covered by a material that  
16 allows a controlled level of light transmission,  
17 and

18 (3) "light deprivation" means a structure that has  
19 concrete floors and the ability to manipulate  
20 natural light.

21 3. The annual, nonrefundable license fee for a medical  
22 marijuana processor license shall be determined as follows:

23 a. Tier 1: Zero (0) to ten thousand (10,000) pounds of  
24 biomass or production or use of up to one hundred

1 (100) liters of cannabis concentrate, the annual fee  
2 shall be Two Thousand Five Hundred Dollars  
3 (\$2,500.00),

4 b. Tier 2: Ten thousand one (10,001) pounds to fifty  
5 thousand (50,000) pounds of biomass or production or  
6 use from one hundred one (101) to three hundred fifty  
7 (350) liters of cannabis concentrate, the annual fee  
8 shall be Five Thousand Dollars (\$5,000.00),

9 c. Tier 3: Fifty thousand one (50,001) pounds to one  
10 hundred fifty thousand (150,000) pounds of biomass or  
11 production or use from three hundred fifty-one (351)  
12 to six hundred fifty (650) liters of cannabis  
13 concentrate, the annual fee shall be Ten Thousand  
14 Dollars (\$10,000.00),

15 d. Tier 4: One hundred fifty thousand one (150,001)  
16 pounds to three hundred thousand (300,000) pounds of  
17 biomass or production or use from six hundred fifty-  
18 one (651) to one thousand (1,000) liters of cannabis  
19 concentrate, the annual fee shall be Fifteen Thousand  
20 Dollars (\$15,000.00), and

21 e. Tier 5: More than three hundred thousand one  
22 (300,001) pounds of biomass or production or use in  
23 excess of one thousand one (1,001) liters of cannabis  
24

1 concentrate, the annual fee shall be Twenty Thousand  
2 Dollars (\$20,000.00).

3 For purposes of this paragraph only, if the cannabis concentrate  
4 is in nonliquid form, every one thousand (1,000) grams of  
5 concentrated marijuana shall be calculated as one (1) liter of  
6 cannabis concentrate.

7 4. The initial fee for a medical marijuana dispensary license  
8 shall be Two Thousand Five Hundred Dollars (\$2,500.00). The annual,  
9 nonrefundable license fee for a medical marijuana dispensary license  
10 shall be calculated at ten percent (10%) of the sum of twelve (12)  
11 calendar months of the combined annual state sales tax and state  
12 excise tax of the dispensary. The minimum fee shall be not less  
13 than Two Thousand Five Hundred Dollars (\$2,500.00) and the maximum  
14 fee shall not exceed Ten Thousand Dollars (\$10,000.00).

15 5. The annual, nonrefundable license fee for a medical  
16 marijuana testing laboratory shall be Twenty Thousand Dollars  
17 (\$20,000.00).

18 E. All applicants seeking licensure or licensure renewal as a  
19 medical marijuana business shall comply with the following general  
20 requirements:

21 1. All applications for licenses and registrations authorized  
22 pursuant to this section shall be made upon forms prescribed by the  
23 Authority;



1        2. Each application shall identify the city or county in which  
2 the applicant seeks to obtain licensure as a medical marijuana  
3 business;

4        3. Applicants shall submit a complete application to the  
5 Authority before the application may be accepted or considered;

6        4. All applications shall be complete and accurate in every  
7 detail;

8        5. All applications shall include all attachments or  
9 supplemental information required by the forms supplied by the  
10 Authority;

11       6. All applications shall be accompanied by a full remittance  
12 for the whole amount of the application fees. Application fees are  
13 nonrefundable;

14       7. All applicants shall be approved for licensing review that,  
15 at a minimum, meets the following criteria:

16           a. twenty-five (25) years of age or older,

17           b. if applying as an individual, proof that the applicant  
18 is an Oklahoma resident pursuant to paragraph 11 of  
19 this subsection,

20           c. if applying as an entity, proof that seventy-five  
21 percent (75%) of all members, managers, executive  
22 officers, partners, board members or any other form of  
23 business ownership are Oklahoma residents pursuant to  
24 paragraph 11 of this subsection,

- 1           d.    if applying as an individual or entity, proof that the  
2                individual or entity is registered to conduct business  
3                in the State of Oklahoma,  
4           e.    disclosure of all ownership interests pursuant to the  
5                Oklahoma Medical Marijuana and Patient Protection Act,  
6                and  
7           f.    proof that the medical marijuana business, medical  
8                marijuana research facility, medical marijuana  
9                education facility and medical marijuana waste  
10              disposal facility applicant or licensee has not been  
11              convicted of a nonviolent felony in the last two (2)  
12              years, or any other felony conviction within the last  
13              five (5) years, is not a current inmate in the custody  
14              of the Department of Corrections, or currently  
15              incarcerated in a jail or corrections facility;

16           8.    There shall be no limit to the number of medical marijuana  
17           business licenses or categories that an individual or entity can  
18           apply for or receive, although each application and each category  
19           shall require a separate application and application fee.  A  
20           commercial grower, processor and dispensary, or any combination  
21           thereof, are authorized to share the same address or physical  
22           location, subject to the restrictions set forth in the Oklahoma  
23           Medical Marijuana and Patient Protection Act;

1 9. All applicants for a medical marijuana business license,  
2 research facility license or education facility license authorized  
3 by the Oklahoma Medical Marijuana and Patient Protection Act, or for  
4 a renewal of such license, shall undergo an Oklahoma criminal  
5 history background check conducted by the Oklahoma State Bureau of  
6 Investigation (OSBI) within thirty (30) days prior to the  
7 application for the license, including:

- 8 a. individual applicants applying on their own behalf,
- 9 b. individuals applying on behalf of an entity,
- 10 c. all principal officers of an entity, and
- 11 d. all owners of an entity as defined by the Oklahoma  
12 Medical Marijuana and Patient Protection Act;

13 10. All applicable fees charged by the OSBI are the  
14 responsibility of the applicant and shall not be higher than fees  
15 charged to any other person or industry for such background checks;

16 11. In order to be considered an Oklahoma resident for purposes  
17 of a medical marijuana business application, all applicants shall  
18 provide proof of Oklahoma residency for at least two (2) years  
19 immediately preceding the date of application or five (5) years of  
20 continuous Oklahoma residency during the preceding twenty-five (25)  
21 years immediately preceding the date of application. Sufficient  
22 documentation of proof of residency shall include a combination of  
23 the following:

- 24 a. an unexpired Oklahoma-issued driver license,

- b. an Oklahoma identification card,
- c. a utility bill preceding the date of application, excluding cellular telephone and Internet bills,
- d. a residential property deed to property in the State of Oklahoma, and
- e. a rental agreement preceding the date of application for residential property located in the State of Oklahoma.

Applicants that were issued a medical marijuana business license prior to August 30, 2019, are hereby exempt from the two-year or five-year Oklahoma residence requirement mentioned above;

12. All license applicants shall be required to submit a registration with the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control as provided in Sections 2-302 through 2-304 of this title;

13. All applicants shall establish their identity through submission of a color copy or digital image of one of the following unexpired documents:

- a. front of an Oklahoma driver license,
- b. front of an Oklahoma identification card,
- c. a United States passport or other photo identification issued by the United States government, or

1 d. a tribal identification card approved for  
2 identification purposes by the Oklahoma Department of  
3 Public Safety; ~~and~~

4 14. All applicants shall submit an applicant photograph; and

5 15. All applicants for a medical marijuana business license  
6 seeking to operate a commercial grow shall file along with their  
7 application a bond as prescribed in Section 2 of this act.

8 F. The Authority shall review the medical marijuana business  
9 application; approve, reject or deny the application; and mail the  
10 approval, rejection, denial or status-update letter to the applicant  
11 within ninety (90) business days of receipt of the application.

12 G. 1. The Authority shall review the medical marijuana  
13 business applications and conduct all investigations, inspections  
14 and interviews before approving the application.

15 2. Approved applicants shall be issued a medical marijuana  
16 business license for the specific category applied under, which  
17 shall act as proof of their approved status. Rejection and denial  
18 letters shall provide a reason for the rejection or denial.  
19 Applications may only be rejected or denied based on the applicant  
20 not meeting the standards set forth in the provisions of the  
21 Oklahoma Medical Marijuana and Patient Protection Act and Sections  
22 420 through 426.1 of this title, improper completion of the  
23 application, or for a reason provided for in the Oklahoma Medical  
24 Marijuana and Patient Protection Act and Sections 420 through 426.1

1 of this title. If an application is rejected for failure to provide  
2 required information, the applicant shall have thirty (30) days to  
3 submit the required information for reconsideration. No additional  
4 application fee shall be charged for such reconsideration. Unless  
5 the Authority determines otherwise, an application that has been  
6 resubmitted but is still incomplete or contains errors that are not  
7 clerical or typographical in nature shall be denied.

8 3. Status-update letters shall provide a reason for delay in  
9 either approval, rejection or denial should a situation arise in  
10 which an application was submitted properly but a delay in  
11 processing the application occurred.

12 4. Approval, rejection, denial or status-update letters shall  
13 be sent to the applicant in the same method the application was  
14 submitted to the Authority.

15 H. A license for a medical marijuana business, medical  
16 marijuana research facility, medical marijuana education facility or  
17 medical marijuana waste disposal facility shall not be issued to or  
18 held by:

19 1. A person until all required fees have been paid;

20 2. A person who has been convicted of a nonviolent felony  
21 within two (2) years of the date of application, or within five (5)  
22 years for any other felony;

23 3. A corporation, if the criminal history of any of its  
24 officers, directors or stockholders indicates that the officer,

1 director or stockholder has been convicted of a nonviolent felony  
2 within two (2) years of the date of application, or within five (5)  
3 years for any other felony;

4 4. A person under twenty-five (25) years of age;

5 5. A person licensed pursuant to this section who, during a  
6 period of licensure, or who, at the time of application, has failed  
7 to:

8 a. file taxes, interest or penalties due related to a  
9 medical marijuana business, or

10 b. pay taxes, interest or penalties due related to a  
11 medical marijuana business;

12 6. A sheriff, deputy sheriff, police officer or prosecuting  
13 officer, or an officer or employee of the Authority or municipality;

14 7. A person whose authority to be a caregiver, as defined in  
15 Section 427.2 of this title, has been revoked by the Authority; or

16 8. A person who was involved in the management or operations of  
17 any medical marijuana business, medical marijuana research facility,  
18 medical marijuana education facility or medical marijuana waste  
19 disposal facility that, after the initiation of a disciplinary  
20 action, has had a medical marijuana license revoked, not renewed, or  
21 surrendered during the five (5) years preceding submission of the  
22 application and for the following violations:

23 a. unlawful sales or purchases,

24

- 1           b. any fraudulent acts, falsification of records or  
2           misrepresentation to the Authority, medical marijuana  
3           patient licensees, caregiver licensees or medical  
4           marijuana business licensees,  
5           c. any grossly inaccurate or fraudulent reporting,  
6           d. threatening or harming any medical marijuana patient,  
7           caregiver, medical practitioner or employee of the  
8           Authority,  
9           e. knowingly or intentionally refusing to permit the  
10          Authority access to premises or records,  
11          f. using a prohibited, hazardous substance for processing  
12          in a residential area,  
13          g. criminal acts relating to the operation of a medical  
14          marijuana business, or  
15          h. any violations that endanger public health and safety  
16          or product safety.

17          I. In investigating the qualifications of an applicant or a  
18          licensee, the Authority and municipalities may have access to  
19          criminal history record information furnished by a criminal justice  
20          agency subject to any restrictions imposed by such an agency.

21          J. The failure of an applicant or licensee to provide the  
22          requested information by the Authority deadline may be grounds for  
23          denial of the application.  
24



1 K. All applicants and licensees shall submit information to the  
2 Authority in a full, faithful, truthful and fair manner. The  
3 Authority may recommend denial of an application where the applicant  
4 or licensee made misstatements, omissions, misrepresentations or  
5 untruths in the application or in connection with the background  
6 investigation of the applicant. This type of conduct may be grounds  
7 for administrative action against the applicant or licensee. Typos  
8 and scrivener errors shall not be grounds for denial.

9 L. A licensed medical marijuana business premises shall be  
10 subject to and responsible for compliance with applicable provisions  
11 consistent with the zoning where such business is located as  
12 described in the most recent versions of the Oklahoma Uniform  
13 Building Code, the International Building Code and the International  
14 Fire Code, unless granted an exemption by a municipality or  
15 appropriate code enforcement entity.

16 M. All medical marijuana business, medical marijuana research  
17 facility, medical marijuana education facility and medical marijuana  
18 waste disposal facility licensees shall pay the relevant licensure  
19 fees prior to receiving licensure to operate.

20 N. A medical marijuana business, medical marijuana research  
21 facility, medical marijuana education facility or medical marijuana  
22 waste disposal facility that attempts to renew its license after the  
23 expiration date of the license shall pay a late renewal fee in an  
24 amount to be determined by the Authority to reinstate the license.

1 Late renewal fees are nonrefundable. A license that has been  
2 expired for more than ninety (90) days shall not be renewed.

3 O. No medical marijuana business, medical marijuana research  
4 facility, medical marijuana education facility or medical marijuana  
5 waste disposal facility shall possess, sell or transfer medical  
6 marijuana or medical marijuana products without a valid, unexpired  
7 license issued by the Authority.

8 SECTION 2. NEW LAW A new section of law to be codified  
9 in the Oklahoma Statutes as Section 427.26 of Title 63, unless there  
10 is created a duplication in numbering, reads as follows:

11 A. It shall be unlawful for any holder of a medical marijuana  
12 business license pursuant to Section 427.14 of Title 63 of the  
13 Oklahoma Statutes to engage in any commercial growing operations in  
14 this state without acquiring a bond. The bond shall cover that area  
15 of land within the permit area upon which the business licensee will  
16 initiate and conduct commercial growing operations.

17 B. Every applicant for a commercial grower license or  
18 commercial grower licensee shall file with the Oklahoma Medical  
19 Marijuana Authority a bond satisfactory to the Authority and in the  
20 amount no less than Fifty Thousand Dollars (\$50,000.00) for each  
21 license sought or held, with a surety company qualified to do  
22 business in this state as a surety. The bond shall be furnished to  
23 the state for the use of the state pursuant to the provisions of  
24 this act. The bond shall be conditional that the obligor will

1 comply with the provisions of this act including, but not limited  
2 to, building codes, administrative rules, and other relevant laws,  
3 and all rules and regulations made pursuant to this act and will pay  
4 all amounts of money that may be due to the state during the time  
5 such bond is in effect.

6 C. The Authority or the Department of Environmental Quality may  
7 require a higher amount depending upon the reclamation requirements  
8 of the approved application. The amount shall reflect the probable  
9 difficulty of reclamation with consideration for such factors  
10 including, but not limited to, topography, hydrology, and  
11 revegetation potential. The amount of the bond for a commercial  
12 growing operation shall be sufficient to assure the completion of  
13 the reclamation plan if the work has to be performed by the  
14 Authority or the Department of Environmental Quality in the event of  
15 revocation of license.

16 D. An appropriate agency may recall the bond if the property  
17 has been abandoned, the Authority revokes the commercial growing  
18 operation's license, or in response to receiving notice of a  
19 violation of any law, regulation, policy, or ordinance necessitating  
20 remedial action. The bond shall be used to defray the cost of  
21 restoration of the property including, but not limited to, removing  
22 equipment, destruction of waste, remediation of environmental  
23 hazards, prohibiting public access, addressing improperly coded  
24

1 buildings, or determination of the final disposition of any seized  
2 property.

3 E. A holder of a medical marijuana business license pursuant to  
4 Section 427.14 of Title 63 of the Oklahoma Statutes engaging in a  
5 commercial growing operation may operate without obtaining a bond  
6 upon verification by the Authority that the permitted land on which  
7 the licensee operates the commercial growing operation has been  
8 owned by the licensee for at least a five-year period prior to  
9 submission of application.

10 SECTION 3. It being immediately necessary for the preservation  
11 of the public peace, health or safety, an emergency is hereby  
12 declared to exist, by reason whereof this act shall take effect and  
13 be in full force from and after its passage and approval.

14 Passed the Senate the 20th day of March, 2023.

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\_\_\_\_\_  
Presiding Officer of the Senate

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18 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
19 2023.

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Presiding Officer of the House  
of Representatives

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